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September 20, 2010

Jocelyn Boyd, Esquire  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Application of South Carolina Electric & Gas Company for Authorization to Replace and Modify Its Revolving Credit Facility and Renewals Thereof and to Replace and Modify a Guaranty Agreement to Support a Revolving Credit Facility for South Carolina Fuel Company, Incorporated and Renewals Thereof  
Docket No. 2010-316-E

Dear Ms. Boyd:

This application is to replace two existing borrowing facilities authorized by Order No. 2006-359-E of the Public Service Commission of South Carolina and due to expire December 19, 2011. The facility for South Carolina Electric & Gas Company ("SCE&G") would be for \$700,000,000 and the South Carolina Fuel Company "SCFC") would be for \$400,000,000. The facility would replace \$400,000,000 of SCE&G's expiring facility and replace \$250,000,000 of SCFC's expiring facility. There are no outstanding borrowings currently against either facility. These facilities are expected to be for a term of five years and the borrowing rates are consistent with SCE&G's credit rating. The normal terms of borrowing under the LIBOR (London Inter-Bank Offered Rate) Rate in Exhibit A, page 2 of 3 of the filing would normally be for a month, normally the lowest rate. If rates should be rising quickly, however, a longer term could be used to obtain the lowest rate. SCE&G and SCFC would have the choice between the Base Rate and a LIBOR rate to achieve the most economical rate. The purposes of the borrowing and financial conditions set forth by SCE&G (see Exhibits D & E) and its parent are appropriate. Based on its review, ORS has no objection to the issuance of debt proposed in this filing.

Sincerely,

John W. Flitter

JWF/dhc

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Nanette Edwards, Chief Counsel, SC ORS  
Shannon Bowyer Hudson, Esquire, SC ORS  
Dr. James Spearman, Executive Assistant, PSCSC  
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